



United States General Accounting Office
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Office of the General Counsel

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August 11, 2000

The Honorable Frank H. Murkowski
Chairman
The Honorable Jeff Bingaman
Ranking Minority Member
Committee on Energy and Natural Resources
United States Senate

The Honorable Thomas J. Bliley, Jr.
Chairman
The Honorable John D. Dingell
Ranking Minority Member
Committee on Commerce
House of Representatives

Subject: Department of Energy, Federal Energy Regulatory Commission: Well
Category Determinations

Pursuant to section 801(a)(2)(A) of title 5, United States Code, this is our report on a major rule promulgated by the Department of Energy, Federal Energy Regulatory Commission (Commission), entitled "Well Category Determinations" (Docket No. RM00-6-000; Order No. 616). We received the rule on July 28, 2000. It was published in the Federal Register as a final rule on July 26, 2000. 65 Fed. Reg. 45859.

The final rule reinstates regulatory provisions for well category determinations for certain categories of high-cost gas under the Natural Gas Policy Act of 1978, section 107.

Enclosed is our assessment of the Commission's compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. Our review indicates that the Commission complied with the applicable requirements.

If you have any questions about this report, please contact James W. Vickers, Assistant General Counsel, at (202) 512-8210. The official responsible for GAO

evaluation work relating to the subject matter of the rule is Jim Wells, Director, Energy, Resources, and Science Issues. Mr. Wells can be reached at (202) 512-3841.

Robert P. Murphy
General Counsel

Enclosure

cc: Mr. Douglas W. Smith
General Counsel
Federal Energy Regulatory
Commission

ANALYSIS UNDER 5 U.S.C. § 801(a)(1)(B)(i)-(iv) OF A MAJOR RULE
ISSUED BY THE
DEPARTMENT OF ENERGY,
FEDERAL ENERGY REGULATORY COMMISSION
ENTITLED
"WELL CATEGORY DETERMINATIONS"
(DOCKET NO. RM00-6-000; ORDER NO. 616)

(i) Cost-benefit analysis

The Commission did not prepare a cost-benefit analysis in connection with the final rule.

(ii) Agency actions relevant to the Regulatory Flexibility Act, 5 U.S.C. §§ 603-605, 607, and 609

The Commission certifies that the final rule will not have a significant economic impact on a substantial number of small entities.

(iii) Agency actions relevant to sections 202-205 of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. §§ 1532-1535

As an independent regulatory agency, the Commission is not subject to title II of the Unfunded Mandates Reform Act of 1995.

(iv) Other relevant information or requirements under acts and executive orders

Administrative Procedure Act, 5 U.S.C. §§ 551 *et seq.*

The final rule was issued using the notice and comment procedures contained at 5 U.S.C. 553. On February 8, 2000, the Commission published a Notice of Proposed Rulemaking in the Federal Register (65 Fed. Reg. 6048) and received comments from over 40 parties, all of whom supported the reinstatement of the procedures. The preamble to the final rule contains the Commission's reactions to the comments.

Paperwork Reduction Act, 44 U.S.C. §§ 3501-3520

The final rule contains information collections which have already been approved by the Office of Management and Budget under the Paperwork Reduction Act. However, the final rule will increase the number of filings of the two forms and, therefore, the Commission has revised its annual burden estimates. The total annualized cost for the collections is estimated to be \$805,698 consisting of 15,024 burden hours.

Statutory authorization for the rule

The final rule is issued pursuant to the authority contained in 15 U.S.C. 717-717w, 3301 et seq.; 42 U.S.C. 7101 et seq., and Executive Order No. 12009.

Executive Order No. 12866

As the rule is promulgated by an independent regulatory agency, it is not subject to the review requirements of the order.